

IN THE MATTER OF IMPASSE ARBITRATION

DUBUQUE COMMUNITY SCHOOL)
DISTRICT)
Public Employer)
and)
DUBUQUE EDUCATION ASSOCIATION)
Employee Organization)
)
)

ARBITRATION AWARD

Terry D. Loeschen,
Arbitrator

APPEARANCES

FOR THE DUBUQUE COMMUNITY SCHOOL DISTRICT

Mr. Michael J. Shubatt, Attorney
Mr. Ron Holm, Director of Finance
Mr. Stan Rheingans, Human Resources Director

FOR THE DUBUQUE EDUCATION ASSOCIATION

Mr. Bob Brown, Union Director
Ms. Joann Mackin, Advocacy Specialist

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JURISDICTION AND AUTHORITY

This proceeding arises pursuant to the provisions of Sections 19 and 22 of the Iowa Public Employment Relations Act, Chapter 20, Code of Iowa (hereafter Act). The Dubuque Education Association (hereafter Association) and the Dubuque Community School District (hereafter District) have not been able to agree upon the terms and conditions of a collective bargaining agreement for fiscal year 2008-2009 through negotiations and mediation. Due to the lack of voluntary agreement, the parties were then required to proceed to impasse arbitration. The procedures for statutory impasse arbitration are set out in Section 22 of the Act.

The undersigned Arbitrator was selected by the parties, and an interest arbitration hearing was held on May 23, 2008 at the Sisters of the Presentation facility located at 23360 Carter Road in Dubuque, Iowa. The hearing commenced at approximately 1:00

p.m. and concluded at approximately 5:45 p.m. At the hearing both parties agreed that the matter was properly before the arbitrator and that the Arbitrator has statutory jurisdiction to issue a final and binding award.

During the arbitration hearing both parties were provided a full opportunity to present evidence and argument in support of their respective impasse positions. The hearing was tape recorded by the Arbitrator in accordance with the regulations of the Public Employment Relations Board. Both sides were represented by skilled and effective advocates. The Arbitrator appreciated the professional manner in which the case was presented. At the conclusion of the presentation of evidence and all argument offered in support of or opposition to each party's impasse position, the arbitration was deemed to be under submission. Based upon evidence presented at the hearing, a review of all exhibits submitted and careful consideration of the arguments presented by both sides, the impasse arbitration award is issued within the time lines required by law.

BACKGROUND

The Dubuque Community School District is the seventh largest school district in the State of Iowa. It is located in the eastern part of the Northeast quadrant of the state. The District serves a population of approximately 92,304 persons in a geographical area of over 240 square miles. It's September, 2007 certified enrollment was 10,726.6 students. It employs a total staff of 1,817 employees, including 900.25 certified teachers and counselors and 21.40 full time equivalent nurses and substitutes. The District has one of the largest special education programs in the state. It provides or contracts for special education services and programs for over 1867 students. The District teacher/student ratio is 1:12 which compares favorably with all of the largest school districts in the state. Maintaining a low teacher/student ratio has been an area of emphasis in this district (See District Exhibit 3) The District's general fund maximum budget authority for the 2008-2009 fiscal year is \$98,295,544.00. This includes \$4,378,411.00 in "pass through" money which goes to the local Area Education Agency for its budgeted programs.

The Dubuque Education Association is a certified employee organization and the exclusive bargaining representative for certain professional employees in the District. It represents approximately 950 teachers and school nurses.

The Association and the District have a long history of collective bargaining starting with their first labor contract for the 1976-77 fiscal year. Since that initial contract the parties have utilized the impasse arbitration process seven times. Overall, the parties have enjoyed good bargaining relations. The current collective bargaining agreement expires June 30, 2008. The parties have an independent impasse agreement which permits the completion of impasse procedures after May 31. (See Association Exhibit 1)

In attempting to obtain a 2008-2009 collective bargaining agreement following an initial exchange of proposals, the parties engaged in seven negotiation sessions prior to mediation. Mediation occurred April 1, 2008 and was not successful in resolving the impasse between the parties. The parties were then required to proceed to impasse arbitration. The primary negotiation impasse to be resolved by this arbitration may be generally described as a wage increase. The parties have not been able to resolve their differences concerning the base salary. Any increase in the BA base also increases longevity (length of service) pay, supplemental pay for extra duty assignments, and supplemental pay for coaching. Also at issue is the base salary increase on the nurses salary schedule.

The Association's final position for arbitration is a BA base and nurses base increase of \$600.00. When factored for length of service, extra duties and coaching, this is a 4.67% total package increase. The District's final arbitration position is a \$500.00 base increase. When this increase filters through longevity pay and supplemental pay for extra duty assignments and coaching, the total package increase is 4.35%.

IMPASSE ITEMS

1. Association final offer: A BA Base Salary and Nurses Base Salary of \$600.00—Total package percentage increase of 4.67%.

2. District final offer: A BA Base Salary and Nurses Base Salary increase of \$500.00 – Total package percentage increase of 4.35%.

It should be again noted that under the language of the parties collective bargaining agreement, an increase in base salary will cause an increase in length of service compensation or longevity pay and supplemental pay for either extra duty assignments or coaching duties.

ARBITRATION CRITERIA

Section 20.22(9) of the Act sets forth the criteria by which an arbitrator is to select, under subsection 11, “the most reasonable offer “on each impasse item submitted by the parties. Section 20.22(9) specifically provides as follows:

The arbitrator or panel shall consider, in addition to other relevant factors, the following factors:

- a. Past collective bargaining contracts between the parties, including the bargaining that lead up to such contracts.
- b. Comparison of wages, hours and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and classification involved.
- c. The interests and welfare of the public, the ability of the public employer to finance economic adjustments, and the effect of such adjustments on the normal standard of services.
- d. The power of the public employer to levy taxes and appropriate funds for the conduct of its operations.

Section 17.6 of the Act further provides:

No collective bargaining agreement or arbitrator’s decision shall be valid or enforceable if its implementation would be inconsistent with any statutory limitation on the public employer’s funds, spending or budget, or would substantially impair or limit the performance of any statutory duty by the public employer.

Further, PERB Rule 621-7.5(6) states: “The arbitration hearing shall be limited to those factors listed in Iowa Code Section 20.22 and such other relevant factors as may enable the arbitrator or arbitration panel to select the fact-finder’s recommendation (if fact finding has taken place) or the final offer of either party for each impasse item.”

The authority of the Arbitrator is also subject to the standard set forth in Maquoketa Valley Community School District v. Maquoketa Valley Education Association, 279 N.W.2d 510,513 (Iowa 1979) which requires an arbitration panel or single arbitrator to select final offers or the fact-finding recommendation on each impasse item “in toto” (with the terms “impasse item” being defined as a Section 20.9 subject of bargaining).

It is the duty of the present Arbitrator to arrive at a decision based upon the above factors listed in Section 20.22(9) of the Act and such other relevant factors as may enable the Arbitrator to select the final offer of one party or the other. The statutory duty of the Arbitrator is to select the most reasonable offer on an impasse item. Section 20.22 (11) of the Act states “A majority of the panel of arbitrators (in the present case a single arbitrator) shall select within fifteen days after its first meeting, the most reasonable offer, in its judgment, of the final offers on each impasse item submitted by the parties, or the recommendations of the fact-finder on each impasse item: (Emphasis added)

The task of the present arbitrator is to select either the District’s final offer (\$500.00 on base, 4.35% total package) or the Association’s final offer (\$600.00 on base, 4.67% total package) as the most reasonable.

The award on the impasse item at issue in the present case is made with due regard for each of the above criteria and requirements.

COMPARABILITY

There are some differences between the parties with respect to an appropriate comparability group.

The Association offered as a first comparability group the Urban Education Network (UEN). This group is a consortium of the eight largest school districts in the state. They are Des Moines, Cedar Rapids, Davenport, Sioux City, Iowa City, Waterloo, Council Bluffs and Dubuque. It should be noted that Dubuque has the second lowest enrollment of those districts. Because of its smaller enrollment, it presumably is less affluent than the larger districts. The Urban Education Network was formed to provide support and information to member districts on issues of mutual concern and priority. It was, by design, created to focus on the unique characteristics of urban school districts in Iowa. (See Association Exhibits 9b, 9c and 9d) The Association argues that Dubuque does not compare well with averages in various salary lane benchmarks in the UEN group. (See Association Exhibits 11a through 11d and 12a through 12d.

The District contends that the UEN is not a viable comparability group. Because Dubuque has a lower enrollment it receives less regular program money from the State than six of the eight districts. Therefore it does not necessarily compare favorably with averages obtained from larger districts. When averages are obtained from Districts with greater resources, those averages will be skewed to the high side. This results in a distorted comparison of wages at various steps and lanes.

The second comparability group presented by the Association consists of the largest fifteen school districts. This group is essentially six larger districts and eight

smaller ones with Dubuque close to the middle. This comparison group is very similar to the group proposed by the District which is six larger districts and six smaller districts than Dubuque, or commonly referred to as “6 up and 6 down.” The difference between the two groups is the inclusion of Muscatine and Waukee by the Association, both of whom are about one half the enrollment size of Dubuque.

The District’s objection to the UEN group has some merit. Averages obtained from districts with greater resources may be skewed to the high side causing the present District to compare less favorably than it would with averages also obtained from smaller districts with less resources. Averages from the largest 15 group presented by the Association or the 6 up and 6 down group presented by the District should have greater validity.

It should also be noted that the six largest districts are included in all three comparability groups before the Arbitrator. Therefore some consideration may be given to their comparability.

However, the undersigned Arbitrator concludes that the largest 15 districts provide the better comparability because the numbers of the smaller districts have a tendency to balance the numbers of the largest ones.

In a determination of the present award, both the largest 15 of the Association and the 6 up and 6 down of the District will be carefully considered. Both of those groups provide valid comparisons. Lesser weight will be awarded the UEN group when compared to Dubuque in isolation without smaller districts included in the group. In short, all comparability data will be considered, but less weight will be given to a comparison of the UEN group where six of the eight districts have larger enrollments

than Dubuque. The District suggests some comparability with contiguous districts of Western Dubuque, Maquoketa, Clayton Ridge, Bellevue and Andrew. (See District Exhibit 26) It argues that in comparison to those districts it has the highest BA Base salary and the highest average salary. It recruits new teachers from the same area as those districts. Further, it offers a competitive starting salary in the same recruitment area as those districts. This comparability group does not provide valid comparisons. The recruitment factor may be considered under the statutory criteria “factors peculiar to the area and the classifications involved,” but there is no viable comparability group presented by five bordering schools not of like size.

ANALYSIS AND DISCUSSION

As is previously stated, the final arbitration offer of the Association is a base salary increase of \$600.00. When factored into longevity and supplemental pay for extra duty and coaching, the result is a total package percent increase of 4.67%

In contrast the District’s final arbitration offer is a base salary increase of \$500.00. This results in a total package percent increase of 4.35%. The difference in the two total package cost percentages is .32%.

The total cost of the District’s arbitration position is \$2,367,193.00. (See District Exhibit 13 or Association Exhibit 5 both showing the same cost) The total cost for the Association Arbitration position is shown on District Exhibit 14 as \$2,540,115.00. Association Exhibit 6 shows that total cost at \$1.00 less or \$2,540,114.00. (The parties must be complimented that they were able to end up with only a one dollar difference in

their cost calculations when working with a multi-million budget to obtain those calculations.)

Using the Association total cost calculation, the total dollar difference between the two proposals is \$172,921.00. This is the dollar amount which is really at issue between the parties. Obviously the District believes it can afford the cost of its own arbitration offer. Otherwise it is unlikely it would have made the offer in the first place. The real question to be resolved is whether or not the District can afford the additional cost of the Association proposal if it is determined to be the most reasonable.

The Association contends that its arbitration position is consistent with the bargaining history of the parties. It asserts that the average total package percentage settlement over the past ten year period is 4.47%. It argues that its proposal is .20% above that ten year average while the District's proposal is .12% below the ten year average. (See Association Exhibit 8) The Association asserts that its proposal is reasonable and continues the commitment to raising salaries in the District. The Association further states in reference to its Exhibit 8 that the regular program increase for fiscal 2008-2009 of 3.93% is .11% above the prior ten year average of 3.82%. Settlements over that same ten year period have averaged .65% above the regular program increases.

The District argues that the parties bargaining history demonstrates that the District has tried to increase teacher salaries in order to stay competitive. This is the seventh consecutive year in which the District will give a package increase greater than the regular program percentage increase. At the same time the District has incurred increases in utilities, supplies and mandated programs which has stressed the District's

budget. (See District Exhibit 20) The District believes that it has made a fair and reasonable offer that is consistent with the bargaining history.

Both District Exhibit 20 and Association Exhibit 8 show that total package percentage increases for the past four years are greater than the 4.67% total package generated by the Association's present position.

The District contends that its teachers have historically averaged a salary increase greater than the Consumer Price Index for All Urban Consumers (CPI-U). It contends that a 4.53% wage increase compared favorably with a 3.3% CPI-U increase from April 2007 to April 2008. (See District Exhibit 19) The District argues that its proposed 4.35% (total package) increase is more in line with recent bargaining history and historical CPI-U trends.

In terms of the statutory criteria of past collective bargaining contracts between the parties including the bargaining that led up to such contracts, the present Arbitrator finds the arbitration offer of the Association with its total package percent of 4.67 is more consistent with the parties bargaining history, particularly with respect to contracts for the past four fiscal years which ranged from a low 4.7% to a high 5.60% in total package increases. However, bargaining history is but one of several statutory criterion to be applied to the present case.

A comparison of wages, hours and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved is also a required consideration for the Arbitrator.

The Association maintains that the Dubuque professional staff does not compare favorably with UEN comparability group. The Association claims that BA minimum salaries for Dubuque personnel are between \$1567.00 to \$3493.00 below UEN average salaries. (Association Exhibit 11a) Top BA salaries for Dubuque teachers range between \$3712.00 to \$4485.00 below UEN average salaries for the top BA step. (Association Exhibit 11b) MA only salaries for Dubuque range between \$2827.00 to \$4971.00 below average MA salaries for UEN districts. (See Association Exhibit 11c) Top MA salaries range from \$2730.00 to \$6800.00 below the UEN average. (See Association Exhibit 11d)

With respect to the comparability group of the fifteen largest school districts, Association Exhibits 13a, 13b, 13c and 13d make the same comparison of Dubuque salary amounts with the average for the same categories in the other fourteen districts. Dubuque salaries are below average in every category. The dollar amounts below average ranged from \$426.90 to \$8022.00. In sum, Dubuque was below average in all 16 salary lane benchmarks.

The District counters the Association's comparability claims in terms of longevity pay. The District argues there are many different types of salary schedules.

Those schedules may be shaped by giving more emphasis to one area over another.

Some in the comparison group may have weighed their schedules to reflect a higher BA Base salary while others may reflect the allocation of money to a longevity schedule.

The District argues that in prior negotiations the Association made it clear that additional money should be paid to veteran teachers on a longevity schedule. Rather than seeking to match salaries with other districts at the BA Base level, the District and the

Association, through prior negotiated contracts, agreed to put extra dollars on the longevity schedule. The District argues that Dubuque provides greater longevity payments than any district in the comparison groups of the Association. The District points out that maximum longevity pay at Dubuque is five times the average of other comparable districts. More than 41.6% of the teaching staff are receiving longevity pay. The initial disparity in a comparison of the District's BA Base with other details in the 15 largest group is offset by generous longevity increments enjoyed by the Dubuque personnel.

Further, the District argues that any disparity in the comparison of Dubuque salary benchmarks with other districts is further offset by the District's favorable insurance package. Through years of negotiations, the Association has negotiated health insurance benefits that exceed the health insurance benefits in other districts. The District currently provides 100% of the cost of a single coverage under any one of three plans, which range in monthly cost from \$475.19 to \$601.31, resulting in an annual range of \$5,702.28 to \$7,215.72. The District also provides 75% of the cost of a family coverage under any of the same three plans, ranging in a monthly cost of \$837.53 to \$1,127.47, which results in an annual range of \$10,050.36 to \$13,529.64. Two of the three plans that are offered to teachers and nurses have no co-pay requirement, which increases the cost of the plans. The other plan is a 90/10 Blue Cross package that has a \$500.00 out of pocket maximum.

The District claims the Association has chosen to receive its compensation in the form of rich insurance benefits at the expense of base salary. As with longevity pay, it is important not to lose sight of the fact that health insurance is, in reality, compensation.

The health insurance factor weakens the Association's contention that the District salaries do not compare financially with other similar school districts. When longevity payments and health insurance are taken into account, the District believes it compares very favorably with others. The District's offer then becomes the most reasonable given the District's economic constraints.

The Association counters the District's longevity argument with its Exhibits 16a, 16b, 16c, 16d, 17a, 17b, 17c and 17d. In those exhibits it compares with its UEN group and the largest 15 group with longevity included in the salary benchmarks. The longevity was fixed at 25 years experience and then salaries were compared at the BA maximum, Top BA maximum, MA maximum and Top MA. At the BA maximum steps Dubuque salaries with 25 years longevity included were \$873.00 and \$1292.00 above the comparison group's average. In all other benchmark comparisons the Dubuque salaries with 25 years longevity were below each average. Those deficiencies ranged from \$1752.00 to \$5496.00. As was noted before, the averages in the UEN group were higher because districts of lesser enrollment than Dubuque with lower salary structures were not factored into the average. However, the fifteen largest districts do present a fair comparison. Thus the Association contends while the longevity schedule appears to be a significant cost factor, once of the longevity pay is added to the salary of an employee with 25 years of service it becomes readily apparent that Dubuque's present salaries are not comparable to other like kind districts. The Association arbitration offer should then be viewed as the most reasonable.

In the same manner the Association counters the District's insurance claims. It again uses salary schedule benchmarks from both its UEN group of districts and the

largest 15 group of districts with health insurance costs included. When health insurance is added to the 16 salary lane benchmarks, Dubuque still is below the average salary in all 16. (See Association Exhibits 12a through 12d and 14a through 14d) Because of a below average comparison in 16 benchmarks and 3.93% in new money, the Association maintains its proposal is more reasonable.

The Association further asserts the reasonableness of its position by comparison with settlement trends. Association Exhibit 18 shows ISEA reported settlements at 4.76%. IASB statewide settlements are reported as an average of 4.58%. The UEN group average is 4.72%. The largest 15 group average is 5.19%, the +/- 1%. Regular Program, and a 75 mile radius area group are 4.82% and 4.94% respectively. Except for IASB, the total Association total package percentage of 4.67% is below the other reported trends. The District did not offer evidence to the contrary.

Total package percentage settlements for districts within both the UEN and the Largest 15 comparison groups are shown in Association Exhibit 18a. Only one of six districts has a total package percent settlement less than 4.67%. (See Association Exhibit 18b) That District is Davenport which is listed as 4.5%. Again, the Association claims these percentage comparisons show its position to be the most reasonable and the one which should be awarded in the present case.

The heart of this impasse decision is the question of ability to pay. The statutory criteria which applies to this issue is: "The interests and welfare of the public, the ability of the public employee to finance economic adjustments and the effect of such adjustments on the normal standard of services." Also one must consider: "The power of the public employee to levy taxes and appropriate funds for the conduct of its operation."

In the present dispute the District claims it does not have the ability to pay or fund the final arbitration offer of the Association. The District argues that its ability to pay future salary increases is limited by lack of authorized budget. (District Exhibit 27, page 1) An authorized budget is the maximum amount a district may spend on its budget for a specific fiscal year. The authorized budget is the sum of combined district cost, miscellaneous income and its unspent balance. (District Exhibit 27, page 2) The District states that while it currently has adequate cash, it does not have the legal authority to spend it.

The District's regular program district cost per pupil for fiscal 2008-2009 is \$5553.00. The District claims its miscellaneous income is primarily grant money. There is little increase in miscellaneous income from year to year. The District's 2006-2007 unspent balance was \$2,645,116.00. The District has concern that its unspent balance has steadily declined. Unspent balance is the amount of authorized budget not expended during the fiscal year. It includes any accumulation from the prior year. There is already a need to reduce 2008-2009 expenditures. The District will likely be required to seek relief from the State Budget Review Committee. The District is very concerned about the potential for a negative unspent balance if there are not significant budget cuts in fiscal year 2008-2009. The District must submit a correction plan to the School Budget Review Committee to avoid negative unspent balances. (See District Exhibit 27, page 11) It has a plan for reducing 2008-2009 expenditures which it estimates will generate savings of \$5,556,600.00. (See District Exhibit 27, page 13) While the District may utilize the cash reserve levy, that can not be spent for regular district programs because the levy does not

increase the authorized budget. In summary the District argues that all available authorized budget sources have been exhausted. (District Exhibit 27, page 30)

The Association maintains its arbitration position can be funded from a combination of regular program increases, special funds and turnover savings. The District will receive 3.93% new money. It is not unusual for the total package percentage to exceed the regular program increase. (See Association Exhibit 8) The District's 2006-2007 unspent balance was \$2,645,116.00. For the same fiscal year the District's budgetary ending fund balance was \$760,216.00. This amount represents spendable dollars, not just unused spending authority. The Association estimates the District will end up with a positive unspent balance for fiscal 2008-2009. A significant number of employees are paid from Special Education Funds although all staff are included in one cost calculation. The 2008-2009 costing includes special education teachers but their salaries and benefits are funded by earmarked funds, not regular program dollars. Special Education funds free up dollars in the regular program for employee salaries.

The Association also claims that the District has authority to levy for cash reserve if it wants to do so. The cash reserve may be used to improve cash flow. Also cash reserve increases the budgetary ending fund balance.

Most important, the Association estimates that turnover savings will easily fund its 4.67% position. The Association estimates potential total turnover savings to be \$2,461,415.00. (See Association Exhibits 7a and 7b) The District disputes that estimate as accurate. The Association contends that if its projected turnover savings are fully applied to the Association total package cost increase, the total package becomes .14%. (See Association Exhibit 7c)

The Association also claims that the District is conservative in its estimates of miscellaneous income. The District argues that there are relatively four main sources of miscellaneous income. That income does not vary much from year to year.

The central issue for determination that remains is whether or not the District has the ability to pay not the cost of the Association total package, but the difference between the Association total cost package and the District total cost package. There is no dispute between the parties that this cost difference is \$172,721.00. This is not an inconsequential sum.

The present Arbitrator has engaged in a thorough review of the tapes of the hearing and a detailed review of all exhibits presented by the parties.

In reviewing the criteria of past collective bargaining contracts, the Arbitrator concludes that the final arbitration offer of the Association is more consistent with the bargaining history of the parties than the District final offer.

In a comparison of wages of the public employees involved in the present case with those of other public employees doing comparable work (teachers, nurses) and giving consideration to any factors peculiar to the area and the classifications involved, particularly the 15 largest district comparability group, the Arbitrator concludes that the Association offer should be favored. Dubuque as the seventh largest district is about in the middle of that group of school districts. Its salary structure should be at the average range. There are too many different salary steps where the District is below average. This is true even when the comparison includes a very favorable longevity pay schedule and a very favorable insurance package for Dubuque employees with longevity and insurance in the other comparable districts.

Equally important is the fact that the Association total package percentage of 4.67% is consistent with the settlement trends presented either state wide or in the 15 largest comparability group. When 4.67% is below the average settlement for five of six groups (ISEA, IASB, UEN, Largest 15 +/- 1% Reg. Program and Geographic) then it cannot be said to be unreasonable. Six of the school districts within the Largest 15 group have reported settlements which average 5.19%. (Association Exhibit 18a) The Association percentage is below that average and below five of the six reporting districts. It can hardly be described as unreasonable. Settlement trends and comparability favor the Arbitration offer of the Association.

Nonetheless, one must still return to the criteria of the “interests and welfare of the public, the ability of the public employer to finance economic adjustments, and the effect of such adjustments on the standard of services”. The undersigned arbitrator finds and concludes that there is no significant evidence that the interests and welfare of the public are endangered or damaged by either the District’s or the Association’s Arbitration offers.

The closer question is the ability of the District to fund the cost difference of \$172,721.00. Stated more simply, does the District have the ability to pay that additional amount? The present Arbitrator concludes that the District can fund that cost difference and that adjustment will not affect the normal standard of services. The Association total cost package of 4.67% can be funded from a combination of turnover savings, miscellaneous income and money available by reason of special education funds earmarked for special education teachers.

Based on the testimony of the District at the Arbitration hearing and the quality of its presentation, it is obvious that the Finance Director for the District is highly competent. The present Arbitrator is confident that he can accomplish the funding of the Association position within the existing budget.

The Association's final offer is consistent with the power of the public employer to levy taxes and appropriate funds for the conduct of its operation. The District can utilize the cash reserve levy if necessary. Property taxes have already been certified. While few, if any persons like increases in taxes, this award is for a one year labor contract and the District retains the power and ability to adjust taxes for subsequent years if necessary.

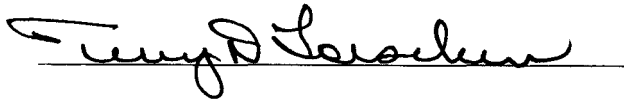
The Board of Directors and the Administration should be commended for their desire to fairly compensate their staff, yet remain fiscally prudent. That, of course, is a difficult task. On the other side of the ledger the Association should be commended for its willingness to recognize the financial constraints of the District while striving to obtain comparable wages for the bargaining unit. The difficult task for this Arbitrator is the balancing of those competing interests and objectives. In the present case the conclusion must be that regardless of favorable longevity and insurance, an improvement in wages is needed. The District should not continue to be below average in so many different salary comparisons. Based upon all evidence presented and for all the reasons above stated, this Arbitrator concludes that the Association final arbitration offer is the most reasonable and should be awarded. Economic problems do exist, not only for this District but nationwide. The ongoing escalation of gasoline and diesel fuel prices results in a continuing adverse financial impact on both the District and its employees. Even

when balanced against the District's need for conservative fiscal management, a \$600.00 base increase (4.67% total package cost) is appropriate, comparable, the most reasonable under the statutory criteria and within the District's ability to pay.

ARBITRATION AWARD

I hereby award the final arbitration offer of the Association: A \$600.00 Base increase with adjustments for length of service, supplemental pay for extra assignments, and supplemental pay for coaching, resulting in a total package percentage increase of 4.67%.

June 6, 2008

A handwritten signature in black ink, reading "Terry D. Loeschen", is written over a horizontal line.

Terry D. Loeschen, Arbitrator
960 Orchard Lake Drive
Daleville, VA 24083
540-992-4446


CERTIFICATE OF SERVICE

I certify that on the 6th day of June, 2008, I served the foregoing Report of Impasse Arbitration upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Mr. Bob Brown
3430 Dodge Street, Suite 15
200 Security Building
Dubuque, Iowa 52003-5218

Mr. Michael J. Shubatt
151 West Eighth Street
Dubuque, Iowa 52001-6832

I further certify that on the 6th day of June, 2008, I will submit this Report for filing by mailing it to the Iowa Public Employment Relations Board, 510 East 12th Street, Suite 1B, Des Moines, Iowa 50319.


Terry D. Loesch, Arbitrator